

**BEAUREGARD COMMUNITY ACTION  
ASSOCIATION, INC.  
DeRidder, Louisiana**

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**Financial Statements  
September 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/13/11

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# STEVEN M. DEROUEN, CPA

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*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Beauregard Community Action Association, Inc.  
DeRidder, Louisiana

I have audited the accompanying statement of financial position of Beauregard Community Action Association, Inc., (a non-profit organization) as of September 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Beauregard Community Action Association, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beauregard Community Action Association, Inc. at September 30, 2010, and the results of its operations and changes in net assets and cash flows for the year then ended in conformity with generally accepted accounting principles of the United States of America.

In accordance with *Government Auditing Standards*, I have also issued our report dated March 28, 2011, on my consideration of the Association's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Board of Directors  
Beauregard Community Action Association, Inc.  
DeRidder, Louisiana

My audit was conducted for the purpose of forming an opinion on the basic financial statements of Beauregard Community Action Association, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements of Beauregard Community Action Association, Inc.. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Steven M. DeFonzo, CPA*

Lake Charles, Louisiana  
March 28, 2011

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**

**DeRidder, Louisiana**

**Statement of Financial Position**

**September 30, 2010**

**ASSETS**

Cash and cash equivalents	\$	73,768
Grants and other receivables		67,090
Property and equipment, net		<u>-</u>

<b>Total Assets</b>	<b>\$</b>	<b><u>140,858</u></b>
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**LIABILITIES**

Accounts payable	\$	<u>5,798</u>
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<b>Total Liabilities</b>		<b><u>5,798</u></b>
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<b>NET ASSETS - UNRESTRICTED</b>		<b><u>135,060</u></b>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>140,858</u></b>
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**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Statement of Activity and Changes of Net Assets**  
**For The Year Ended September 30, 2010**

	<u>General and Administrative</u>	<u>CSBG</u>
<b>REVENUES</b>		
State and federal grants	\$ -	\$ 219,423
Other	<u>5,856</u>	<u>-</u>
Total Revenues	<u>5,856</u>	<u>219,423</u>
<b>EXPENSES</b>		
Program Services		
Salaries	-	110,057
Fringe benefits	-	16,629
Travel	-	1,045
Program services	<u>4,523</u>	<u>80,993</u>
Total Program Services	<u>4,523</u>	<u>208,724</u>
General and Administrative		
Salaries	-	22,794
Fringe benefits and other	302	-
Depreciation	<u>-</u>	<u>-</u>
Total General and Administrative	<u>302</u>	<u>22,794</u>
<b>CHANGE IN NET ASSETS</b>	1,031	(12,095)
<b>UNRESTRICTED NET ASSETS - Beginning</b>	<u>(9,414)</u>	<u>7,939</u>
<b>UNRESTRICTED NET ASSETS - Ending</b>	<u>\$ (8,383)</u>	<u>\$ (4,156)</u>

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**

**DeRidder, Louisiana**

**Statement of Activity and Changes of Net Assets**

**For The Year Ended September 30, 2010**

	<b><u>Energy Assistance Program</u></b>	<b><u>Head Start and CACFP</u></b>	<b><u>Medicaid Program</u></b>
<b>REVENUES</b>			
State and federal grants	\$ -	\$ -	\$ -
Other	<u>635</u>	<u>-</u>	<u>308</u>
Total Revenues	<u>635</u>	<u>-</u>	<u>308</u>
<b>EXPENSES</b>			
Program Services			
Salaries	-	-	276
Fringe benefits	-	-	40
Travel	-	-	-
Program services	<u>285</u>	<u>-</u>	<u>-</u>
Total Program Services	<u>285</u>	<u>-</u>	<u>316</u>
General and Administrative			
Salaries	-	-	-
Fringe benefits and other	-	-	-
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total General and Administrative	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	350	-	(8)
<b>UNRESTRICTED NET ASSETS - Beginning</b>	<u>653</u>	<u>21,760</u>	<u>(198)</u>
<b>UNRESTRICTED NET ASSETS - Ending</b>	<u><u>\$ 1,003</u></u>	<u><u>\$ 21,760</u></u>	<u><u>\$ (206)</u></u>

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.****DeRidder, Louisiana****Statement of Activity and Changes of Net Assets****For The Year Ended September 30, 2010**

	<b>Emergency Food and Shelter</b>	<b>LIHEAP</b>	<b>CHDO</b>
<b>REVENUES</b>			
State and federal grants	\$ 20,960	\$ 382,508	\$ -
Other	-	-	18,400
Total Revenues	<u>20,960</u>	<u>382,508</u>	<u>18,400</u>
<b>EXPENSES</b>			
Program Services			
Salaries	-	29,006	17,474
Fringe benefits	-	2,583	1,756
Travel	-	-	2,882
Program services	<u>21,366</u>	<u>321,559</u>	<u>8,938</u>
Total Program Services	<u>21,366</u>	<u>353,148</u>	<u>31,050</u>
General and Administrative			
Salaries	-	-	-
Fringe benefits and other	-	-	-
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total General and Administrative	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	(406)	29,360	(12,650)
<b>UNRESTRICTED NET ASSETS - Beginning</b>	<u>6,101</u>	<u>35,952</u>	<u>66,685</u>
<b>UNRESTRICTED NET ASSETS - Ending</b>	\$ <u><u>5,695</u></u>	\$ <u><u>65,312</u></u>	\$ <u><u>54,035</u></u>



**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Statement of Activity and Changes of Net Assets**  
**For The Year Ended September 30, 2010**

	<u><b>Total</b></u>
<b>REVENUES</b>	
State and federal grants	\$ 622,891
Other	<u>25,199</u>
Total Revenues	<u>648,090</u>
<b>EXPENSES</b>	
Program Services	
Salaries	156,813
Fringe benefits	21,008
Travel	3,927
Program services	<u>437,664</u>
Total Program Services	<u>619,412</u>
General and Administrative	
Salaries	22,794
Fringe benefits and other	302
Depreciation	<u>-</u>
Total General and Administrative	<u>23,096</u>
<b>CHANGE IN NET ASSETS</b>	5,582
<b>UNRESTRICTED NET ASSETS - Beginning</b>	<u>129,478</u>
<b>UNRESTRICTED NET ASSETS - Ending</b>	<u>\$ 135,060</u>

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from supporters, grants, programs, fees	\$ 634,175
Cash Provided By Operating Activities	<u>634,175</u>
Cash paid to employees, suppliers, and for programs	<u>653,387</u>
Cash Disbursed For Operating Activities	<u>653,387</u>
 Net Cash Provided by Operating Activities	 <u>(19,212)</u>
 Net Increase In Cash	 (19,212)

**CASH AND CASH EQUIVALENTS**

Beginning	<u>92,980</u>
Ending	\$ <u><u>73,768</u></u>

**RECONCILIATION OF INCREASE IN UNRESTRICTED**

**NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Increase (decrease) in unrestricted net assets	\$ 5,582
Adjustments to reconcile changes in excess of revenue and support over expenses to net cash provided by operating activities:	
Depreciation	-
(Increase) decrease in receivables	(6,908)
Increase (decrease) in accounts payable and deferred revenue	<u>(17,886)</u>
 Net Cash Provided (Used) by Operating Activities	 \$ <u><u>(19,212)</u></u>

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**

**DeRidder, Louisiana**

**Notes to Financial Statements**

**September 30, 2010**

***Note 1 - Nature of Organization and Summary of Significant Accounting Policies :***

**Nature of Organization**

The Beauregard Community Action Association, Inc. was incorporated under the laws of the State of Louisiana on September 16, 1965. The Association is a non-profit community action association which is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. The laws of the State of Louisiana exempt the Association from Louisiana taxation.

Grants, miscellaneous contributions of cash, and other assets are reported as unrestricted support unless donor stipulations are not removed during the fiscal year.

The Association's primary source of revenue is federal and state grant monies, which provide services to elderly and low-income clients.

**Program and Supporting Services**

The following programs and supporting services are included in the accompanying financial statements:

**CSBG** - The CSBG accounts for funds granted by the United States Department of Health and Human Services under the Community Services Block Grant Program.

**Energy Assistance Program** - The Energy Assistance Program accounts for funds donated to local utility companies by the public to provide to low income families.

**Medicaid Program** - Beauregard Community Action Association is an enrollment center with staff trained to complete applications. Persons wishing to apply must be interviewed and provide required documentation of living and financial status. This program is a cost reimbursement program through the Department of Health and Hospitals.

**Emergency Food and Shelter** - The Emergency Food and Shelter accounts for funds granted by the Emergency Food and Shelter National Board Program.

**LIHEAP** - The LIHEAP accounts for funds granted by the United States Department of Health and Human Services under the Low Income Home Energy Assistance Block Grant Program.

**Community Housing Development Organization (CHDO)** - This fund is financed by the U.S. Department of Housing and Urban Development through the Louisiana Housing Finance Agency acting on behalf of the State of Louisiana. The Agency is responsible for identifying potential sites for the project, ranking the sites by specified criteria, selecting the optimal sites and then providing additional technical assistance and site control loan as needed.

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Notes to Financial Statements (Continued)**  
**September 30, 2010**

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Association considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment is stated at cost. It is the Association's policy to capitalize expenditures for these items in excess of \$500. Depreciation of property and equipment is computed principally by the straight-line method over 5 - 10 years.

Funding Policies

The Association receives their monies through basically three methods of funding. Most of the funds are obtained through grants. Under this method, funds are received on a monthly allocation of the total budget in advance of the actual expenditure. The Association also receives funds as a reimbursement of actual expenditures. The other method by which the Association receives funding is through private and in-kind contributions.

Compensated Absences

Employees accrue vacation leave based on years of service. At September 30, 2010, accrued vacation leave was approximately \$11,501 based on the current pay levels and maximum carryover amounts. This amount is not reflected in the financial statements based on the above criteria.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activity. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Notes to Financial Statements (Continued)**  
**September 30, 2010**

***Note 1 - Summary of Significant Accounting Policies (Continued):***

**Deposits with Financial Institutions**

The Association's bank balances of deposits with financial institutions at September 30, 2010 were fully insured by the Federal Deposit Insurance Corporation.

***Note 2 - Board Members***

During the period covered by our audit, there were no payments made to or on behalf of board members.

***Note 3 - Claims and Contingencies***

The Association receives revenues from various Federal and State grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and the Association.

***Note 4 - Operating Leases***

The Association leases office equipment at \$216 per month, for 36 months. Additionally, the Association leases its facility from the City of DeRidder for \$100 per month. The lease term is renewed annually. Total lease costs for the year ended September 30, 2010 were \$3,804.

***Note 5 - Economic Dependency***

The Association receives the majority of its revenue from funds provided through grants. The grant amounts are appropriated each year by the Federal and State governments. The significant budget cuts are made at the Federal and/or State level, the amount of funds the association receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Association will receive in the next fiscal year.

***Note 6 - Subsequent Events***

In May 2009, the Financial Accounting Standards Board issued Statement 165, Subsequent Events, to incorporate the accounting and disclosure requirements for subsequent events into U.S. generally accepted accounting principles. Statement 165 introduces new terminology, defines a date through which management must evaluate subsequent events or transactions occurring after the balance sheet date. The Association adopted statement 165 as of June 30, 2009, which was the required effective date.

The Association evaluated its September 30, 2010 financial statements for subsequent events through March 29, 2011, the date the financial statements were available to be issued. The Association is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**

**Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2010**

<u>Program Title</u>	<u>CFDA No.</u>	<u>Program Expenses</u>
Department of Health & Human Services		
Community Services Block Grant	93.569 *	\$ 234,793
Low Income Home Energy Assistance	93.568 *	349,873
U.S. Department of Housing and Urban Development		
Emergency Food and Shelter	14.231	<u>21,366</u>
Total Federal Assistance		\$ <u>606,032</u>

\*Denotes Major Program

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Beauregard Community Action Association, Inc., and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Certain costs have been allocated to the federal program in accordance with OMB Circular A-122, Cost Principles for Non-Profit Organizations. The amounts presented in this schedule do not differ from amounts presented in, or used in the preparation of the financial statements.

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors  
Beauregard Community Action Association, Inc.  
DeRidder, Louisiana

I have audited the financial statements of Beauregard Community Action Association, Inc.(a nonprofit organization) as of and for the year ended September 30, 2010, and have issued our report thereon dated March 28, 2011. I conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit, I considered Beauregard Community Action Association, Inc.' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Beauregard Community Action Association, Inc.' internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Beauregard Community Action Association, Inc.' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected on a timely basis. I consider Item 2010-01 on the Schedule of Compliance and Internal Control to be a *material weakness*.

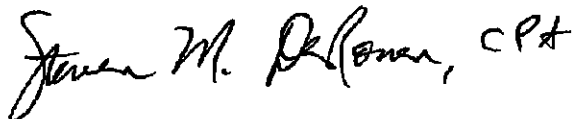
Board of Directors  
Beauregard Community Action Association, Inc.  
DeRidder, Louisiana  
Page 2

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, I consider 2010-01 to be a material weakness.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Beauregard Community Action Association's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, I do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the audit committee, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Steven M. DeRidder, CPA". The signature is written in a cursive, flowing style.

Lake Charles, Louisiana  
March 28, 2011



# STEVEN M. DEROUEN, CPA

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Directors  
Beauregard Community Action Association, Inc.  
DeRidder, Louisiana

### *Compliance*

I have audited the compliance of Beauregard Community Action Association, Inc., with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*" that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010. Beauregard Community Action Association, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Beauregard Community Action Association, Inc.'s management. My responsibility is to express an opinion on Beauregard Community Action Association, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Beauregard Community Action Association, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that our audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Beauregard Community Action Association, Inc.'s compliance with those requirements.

In my opinion, Beauregard Community Action Association, Inc. complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

Board of Directors  
Beauregard Community Action Association, Inc.  
DeRidder, Louisiana  
Page 2

*Internal Control Over Compliance*

The management of Beauregard Community Action Association, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Beauregard Community Action Association, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Beauregard Community Action Association, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information of the audit committee, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Steven M. DeRouen, CPA*

Lake Charles, Louisiana  
March 28, 2011

**SECTION I –  
SUMMARY  
OF  
AUDITORS’  
RESULTS**

Financial  
Statements

Type of auditor’s report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	No

Dollar threshold used to distinguish  
between

Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ No

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**  
**DeRidder, Louisiana**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2010**

**SECTION II – FINDINGS**

**(2010-01)Financial Statement Reporting**

The Organization relies on the auditing firm to prepare the external financial statements and related disclosures. Under U. S. generally accepted auditing standards, the auditing firm cannot be considered part of the Organization's internal control structure and because of the limitations of the accounting staff, the design of the Organization's internal control structure does not otherwise include procedures to prevent or detect a material misstatement in the external financial statements.

Management has considered this weakness and determined that it would not be cost effective at this time to employ or contract the appropriate personnel to remove this deficiency.

**BEAUREGARD COMMUNITY ACTION ASSOCIATION, INC.**

**DeRidder, Louisiana**

**Prior Year Findings and Questioned Costs**

**Year Ended September 30, 2009**

**(2009-01) Financial Statement Reporting**

The Organization relies on the auditing firm to prepare the external financial statements and related disclosures. Under U. S. generally accepted auditing standards, the auditing firm cannot be considered part of the Organization's internal control structure and because of the limitations of the accounting staff, the design of the Organization's internal control structure does not otherwise include procedures to prevent or detect a material misstatement in the external financial statements.

Management has considered this weakness and determined that it would not be cost effective at this time to employ or contract the appropriate personnel to remove this deficiency.

**(2009-02) Cash Management**

The Organization requested funds in excess of the requirements needed for three days. This in violation of federal cash management laws. This error was a result of not utilizing the Organization's payroll software to "compute" the required amount of cash needed to pay payroll taxes.

To prevent this event from reoccurring, management has implemented recording all time entries by program, utilizing the capabilities of its existing software.